



Fall Board Report – 2024

The Lambton Golf and Country Club concluded its most recent Fiscal Year on October 31, 2024. As our new Fiscal 2025 Year begins, I am pleased to provide an update on the health of the Club, and to highlight many of the notable developments that have taken place in the year just concluded.

And on behalf of the Club's Board of Governors I will take this opportunity to also share several insights and expectations that will be of interest to the Lambton membership over the course of Fiscal 2025.

As a starting point, I will confirm that the year behind us was highly successful in terms of Lambton's financial health, activity levels, engaging events, robust membership rosters, and the enjoyment of Club amenities. The year was busier than ever across the seasons, and the opportunities for a terrific membership experience have never been greater.

Along with the entire Board of Governors I want to express my thanks for the Lambton leadership team, staff, and member volunteers who work tirelessly on our behalf to ensure our facilities compare with the best, and that the opportunities for membership engagement on our courses and courts, as well as socially, are plentiful and enjoyable. Lambton's culture and opportunities to play or engage with a variety of people is at the core of what makes the Club a great place to be.

HIGHLIGHTS OF 2024

- Our professional staff have done an extraordinary job this past year and facilitated a full slate of action on our courses and courts. I know I speak for the entire membership when I express my thanks for the care, energy, and spirit that characterize our professional staffs, who facilitated an unprecedented level of activity through various leagues and events.
- The social calendar at Lambton continues to be a whirlwind of opportunities to connect with fellow members. The Lambton hospitality team and our Membership Experience Committee have been incredibly successful in creating reasons to come to the Club throughout the year, including parties, holiday celebrations, clubs, wine fairs, special events and more. Congratulations and thanks to all concerned for making Lambton a 12-month playground for the membership.
- The Lambton Clubhouse received a major facelift, and then some, over the course of 2024. A new roof was installed, and the building exterior was re-stuccoed and painted for a total capital cost of just over \$1.4 million. The Clubhouse presents itself beautifully. Within the Clubhouse walls, underused spaces were repurposed to create new Fitness & Wellness facilities, for a cost of approximately \$175,000. The new amenities, including a gym, card room, and games space, are much-appreciated additions to the Lambton member experience and consistent with expectations of a top-tier private club in the GTA.
- Investments in our Greens Department over the last few years have paid large dividends for the Lambton golfing community. Conditions on both our Championship and Valley courses have never been better, as attested to by members and guests. Under the leadership of our Course Superintendent, Andre Aymar, the team did a spectacular job in achieving new standards of excellence. It is worth commenting that despite some rainfalls that put several other local clubs out of action for days and weeks, Lambton courses recovered quickly. The nature of our courses certainly helped, but the expeditious return to action is a tribute to the skill and dedication of the Greens staff. Upgrades to a segment of our mainline irrigation system were also implemented with virtually no disruption to play.

- In May 2024 the Club welcomed David Main as our new General Manager and Chief Operating Officer, following the retirement of the previous incumbent, Peter Holt. David brings a wealth of private club management experience and a fresh set of ideas to further enhance the membership experience. In September, we welcomed another new member of the senior leadership team, as Ravi Mehta joined us as Director of Racquets. The recruitment of David and Ravi to Lambton confirms the Club enjoys an enviable reputation, which allows to attract top talent to the Lambton family.

PRELIMINARY FINANCIAL REVIEW (UNAUDITED)

The Club's Fiscal 2024 financials are not finalized yet, and subject to change. Audited statements with more granular information will be provided through the Information Circular provided in advance of our Annual General Meeting (April 17, 2025). A preliminary overview of our financial situation is summarized below.

- The Club had a successful financial year, with essentially on budget performance on top and bottom lines while experiencing several challenges around flooding, excessive rain-days and staff turnover.
- Revenues for 2024 are projected at \$13.1 million, or 100% of budget, representing an increase of 5% vs. prior year.
- Expenses were well-controlled across all departments. The Club operating expenses are made up of nearly 60% staffing, who are tasked with delivering the member services and experience.
- In 2024 we increased the Annual Capital Levy to 12.5% from 10% of annual dues, generating \$896k of capital, compared to \$665k in the prior year. The purpose of the Annual Capital Levy is to fund maintenance of the Club's facilities and major assets. In 2024 maintenance represented a \$953,000 investment.
- Members will recall the Club passed a bylaw in 2022 which provides for a capital levy of up to 15% of annual dues, which is the amount to be applied in Fiscal 2025 and is expected to generate \$1.1 million vs. a 2025 capital maintenance budget of \$1.273 million.
- Investments in new amenities or value added projects are intended to be funded through New Entrance Fee Capital, which is derived through new members joining the Club or existing members upgrading their membership category. Our full membership rosters have presented a challenging future scenario in terms of expected New Entrance Fee Capital, as we are operating at full capacity. Remarkably, our New Entrance Fee Capital account performed far beyond our full year 2024 budget of \$375,000 and totalled \$2.580 million. The extent of this positive New Entrance Fee Capital variance is largely the result of unvested Intermediate category members making the decision at our year end to commit to the Club in anticipation of future fee increases (more on this subject will follow).
- Our total capital intake in 2024 was \$3.650 million, while capital investments totalled \$2.956 million. Major expenditures included the new clubhouse roof and re-stuccoing (\$1.4 million), new fitness & wellness facilities (\$175,000), a mainline irrigation upgrade (\$242,000), course maintenance equipment (\$477,000), and new hitting mats for the golf range (\$64,000). All were paid for out of cash and the Club remains debt free other than certain leases related to course maintenance equipment.
- The Club's cash account is expected to finish strongly for 2024 at \$943,000, vs. a year end budgeted expectation of \$602,000. Our healthy cash situation provides the Club with much-desired financial flexibility for future projects.
- Notwithstanding the Club's strong balance sheet and significant cash reserve, the 2025 capital spend budget has been calibrated to reflect a number of moving parts related to future projects and the potential findings of our recently announced Strategic Planning initiative. Our 2025 capital budget is set at \$1.273 million, which compares to our 3 year average capital spend of \$1.885 million. The 2025 capital budget is comparatively modest and primarily dedicated to maintaining and upgrading existing assets.
- 2025 operating budget reflects a nominal surplus overall with 4% member dues increase and one time funding for ONCA and strategic planning expenses.
- In short, our balance sheet is strong, and Lambton Golf & Country Club is in robust financial condition entering fiscal 2025. My thanks to Management, our Finance Committee volunteers, and the Board of Governors for their effective stewardship of Club finances.

MEMBERSHIP

The following chart provides a summary of our Membership levels at October 31, 2024:

Member Category Status	Current # Members	Current Quota	Over (Under) Quota
Gold Golf	446	450	(4)
Restricted Play List #1	25	25	-
Restricted Play List #2	25	25	-
Restricted Play List #3**	30	30	-
Gold Waiting List	66	65	1
Silver Golf (including Gold Hybrid)	207	210	(3)
Silver Golf Restricted Play List #1	0	25	(25)
Valley 65+	31	N/A	-
Valley Golf	76	85	(9)
Valley Spouse	77	80	(3)
Junior Golf	188	200	(12)
Gold Junior Golf	65	65	-
Annual Tennis	223	230	(7)
Annual Tennis Restricted Play List #1	10	10	-
Annual Tennis Restricted Play List #2**	20	25	(5)
Tennis Waiting List	45	50	(5)
Tennis - Golfers	119	100	19

- The membership display (above) confirms our rosters across virtually every category are at capacity, with lengthy waiting lists for golf and tennis. Scant movement among restricted playing and wait lists is a source of regrettable frustration for many individuals, including those who have already made capital commitments to the Club but have limited or no access to facilities.
- In August the Board of Governors announced, and then withdrew, changes to the Intermediate golf and tennis categories. Among other things, the proposed changes would have required unvested individuals in the Intermediate category to accelerate their decision to commit New Entrance Fee capital. The original decision to introduce changes was based on analysis and recommendations from multiple member committees. However, based on feedback from the membership, those changes were paused. The Board accepted that the issues around the category deserved more member input and transparency, and the implementation of any changes could have been better managed.
- The Board of Governors continues to believe that the strategic outlook for New Entrance Fee Capital and unsustainable growth in the Intermediate category, along with inequities in category privileges, will ultimately result in changes to Intermediate category terms. Our Strategic Planning process, which includes extensive member consultation, is expected to generate relevant recommendations by mid-year 2025.
- In August the Club announced increases to its Entrance Fee schedule for all categories, effective November 1, 2024. As primary reference points, our Gold Golf category entrance fee is now \$85,000, and annual Tennis is now \$25,500.

WHAT TO EXPECT IN 2025

Fiscal 2025 will be extremely busy for Lambton's leadership and will demonstrate our ongoing commitment to continuous improvement. Most of the anticipated activity has already been communicated to membership to some extent, but for reference purposes I will recap some of the major initiatives in the year ahead.

- In October 2023 the membership approved an investment of up to \$7 million directed to expansion and upgrades to our kitchen and patio (by a 77% affirmative vote). Since the membership's overwhelming endorsement of the project, related detailed planning and permitting activities have kicked into high gear. The project has evolved to include greater emphasis on outdoor kitchen facilities and refinements to our bistro and patio aesthetic. Our original schedule including construction start up in the fall of 2025, and targeted completion in May of 2026, remains intact. All systems are go. Members can anticipate a Member Information Session to be held in the first quarter of the 2025 calendar year to update them on final design, financing and related project details.
- A Member Information Session to introduce our Club's compliance plans for new legislation, the Ontario Non-Profit Corporations Act (ONCA), took place on November 13, 2024. Lambton and all other non-profit social clubs are required to file new articles of incorporation and bylaws by October 2026. The Governance Committee and Management have been working diligently on the details of compliance, which will lead to a member vote as part of our Annual General Meeting in April 2025. We ask that membership familiarize themselves with the details of our compliance plans as communications rollout in the coming weeks and months, and support the plan when it comes to a vote.
- In October the Board of Governors announced the commencement of a Strategic Planning process that will include extensive consultation with membership. We have retained GGA Partners to facilitate our process and have established a Strategic Planning Committee comprised of respected members, representing a cross-section of member demographics. The Strategic Planning process will examine our Club Mission and member aspirations, our operations, capital plans, and all matters related to the long term health of our Club and its culture. We expect a first draft of a Strategic Plan prior to our April AGM.
- In June of 2025 Lambton will host a U.S. Open Qualifier event. The Club successfully hosted the same event in 2023. The opportunity to showcase the quality of our Championship course to a wide audience, including PGA professionals, is a point of pride for Lambton members and staff alike. It is no coincidence that Golf Canada asked Lambton to host the Qualifier so soon after its last opportunity, given the quality of our course, the professionalism of our staff, and the enthusiastic response of Lambton members.

IN CLOSING

Lambton is a busy and exciting club, with a plethora of opportunities to enjoy top tier facilities and an invigorating member culture. Our investments in facilities and amenities continue to pay great dividends and Lambton is a healthy, vibrant club.

Our outlook includes thoughtful financial management while we continuously invest in meaningful member experiences.

Lambton is a special place, and it is a privilege to be part of it.

None of the positive environment we all share at the Club would be possible without the efforts of staff and managers. We are very fortunate have a leadership team who truly care about the member experience. I encourage members to not be shy in expressing their gratitude for the service and dedication displayed by the team each and every day.